



# *EVMS in Australia*

*Van Kinney*  
*Office of the Under Secretary of Defense*  
*(Acquisition & Technology)*

REPORT DOCUMENTATION PAGE				Form Approved OMB No. 0704-0188	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing this collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS.					
1. REPORT DATE (DD-MM-YYYY) 17-05-1998		2. REPORT TYPE Conference presentation		3. DATES COVERED (FROM - TO) 17-05-1998 to 20-05-1998	
4. TITLE AND SUBTITLE EVMS in Australia Unclassified			5a. CONTRACT NUMBER		
			5b. GRANT NUMBER		
			5c. PROGRAM ELEMENT NUMBER		
6. AUTHOR(S) Van Kinney, ;			5d. PROJECT NUMBER		
			5e. TASK NUMBER		
			5f. WORK UNIT NUMBER		
7. PERFORMING ORGANIZATION NAME AND ADDRESS OUSD(A&T) XXXXX XXXXX, XXXXXXXX			8. PERFORMING ORGANIZATION REPORT NUMBER		
9. SPONSORING/MONITORING AGENCY NAME AND ADDRESS OUSD(A&T) ,			10. SPONSOR/MONITOR'S ACRONYM(S)		
			11. SPONSOR/MONITOR'S REPORT NUMBER(S)		
12. DISTRIBUTION/AVAILABILITY STATEMENT APUBLIC RELEASE ,					
13. SUPPLEMENTARY NOTES Presentations and papers from 14th annual International Performance Management Association Conference held May 17-20, 1998 in Clearwater Beach, FL.					
14. ABSTRACT See report.					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:		17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19. NAME OF RESPONSIBLE PERSON	
		Public Release	16	http://www.acq.osd.mil/pm/paperpres/0598pma_conf (blank) lfenster@dtic.mil	
a. REPORT Unclassified	b. ABSTRACT Unclassified	c. THIS PAGE Unclassified		19b. TELEPHONE NUMBER International Area Code Area Code Telephone Number 703767-9007 DSN 427-9007	
				Standard Form 298 (Rev. 8-98) Prescribed by ANSI Std Z39.18	

# *Introduction*

- History of Australian Earned Value Management (EVM)
- Defence Acquisition Organisation (DAO) structure
- Current initiatives
- Australian industry involvement
- International participation
- Conclusions

# *History*

- 1986 - JPAC Report 243 recommended adoption of C/SCSC for major projects
- 1989 - Formation of dedicated focal point
- 1990 - First company validated
- 1990 - 1993 - Guidance documents developed
- 1992 - Mutual acceptance of validations
- 1993 - Exchange officer program started
- 1995 - Signed EVM MOU with US and Canada
- 1995 - 1997 - Chaired IPMC
- 1997 - EVM moved to Dir. Acq. Mgt. Sys.



## Deputy Secretary Acquisition

### FAS Capital Equipment Program

### Head DAO DRP Implementation Team

- Acquisition Planning
- Acq. Finance & Reptg.
- Acq. Corporate Mgmt.

### Head Industry & Procurement Infrastructure

- Contr. Pol. & Ops.
- Ind. Pol. & Progs.
- Exports & Intl. Progs.
- Acq. Mgmt. Systems
- DARO/QA  
Transition

### Head Systems Acquisition Electronic Systems

- Commd. & Suppt. Sys.
- Communication Sys.
- EW & Radar Sys.
- Strategic HF Sys.
- Business Management

### Head Systems Acquisition Maritime & Ground

- Undersea Warfare Sys.
- Surface Warfare Sys. A
- Surface Warfare Sys. B
- Grnd. & Amphib. Sys.
- Business Management

### Head Systems Acquisition Aerospace

- Aerosp. Warfare Sys. A
- Aerosp. Warfare Sys. B
- Aerosp. Warfare Sys. C
- Business Management

# *Defence Focus*

- Early focus was on EVMS implementation
  - Not much expertise was available outside DAMS-EVM
  - DoD data usage and analysis varied
- In 1996, focus changed to improving quality and internal use of EV data
  - Train program office personnel
  - Establish better analytical capability
  - Emphasize timely reports

# *Current Initiatives*

- Payment by Earned Value (EV)
- Contracting for EV services
- Earned Value Leadership Panel (EVLDP)
- Review process simplification
- Update policy and implementation guidance

# *Payment by Earned Value*

- Used on all new contracts with EVM requirement
- Payments based on combination of EV progress and key milestones
- In use on a number of major projects:
  - ANZAC Frigates, Mine Hunter Coastal, Hydro Ship, Lead-In-Fighter, ANZAC Helos
- Interim policy in place

***Results in better acceptance and use of EV data***



# *Contracting for EV Services*

- Create EV Consultancy Panel
- Scope of work would include:
  - EVMS review support
  - Data analysis support
  - Training
  - Studies
- Objective is to enable DAMS-EVM staff to do more project support
- Long-term goal is third party validation

# *Earned Value Leadership Panel*

- Includes Acquisition and Service executives and selected PMs
- Objective is to foster better acceptance and use of EV data in DoD
- Forum to exchange views and ideas
- Accomplishments so far:
  - EV postings to the Services
  - Higher management is gaining a better understanding of EVM

# *Review Process Simplification*

## ■ Use of IBR

- More project involvement
- Emphasis is on realistic baselines
- Does not replace validation reviews
- Reduction in post validation reviews

## ■ Simplified review reports

## ■ Involvement from outside DAMS-EVMS

## ■ Company EVMS representative on team

## ■ Joint surveillance

# *Update Policy and Guidance*

- Aust. Cost Schedule Implementation Guide is being updated
- Cost Schedule Status Report Implementation Guide is being updated by APMA working group
- CSCSC and payment by EV contract clauses are next
  - DEFPUR 101 contains contract clauses

# *Other Initiatives*

- Scheduling Data Item Description is being finalized
- Link risk management with EVM
- Continue to promote EVM in the project offices
- Establish centers of excellence in Tech Domains
- Develop an Industry EVM standard
- Use EV data for Defence funding forecasts
- Promote use of commercial software analysis tools
- Encourage submission of EV data via EDI

# *Australian Industry Involvement*

- EVM used on numerous non-defense projects
- Australian Institute of Project Management still considering integration of EVM into body of knowledge
- DAMS-EVMS is working with Standards Australia to create a national standard
  - May use ANSI standard as a starting point

# *International Participation*

- Original member of International Performance Management Council
  - Chaired IPMC from 1995 - 1997
  - Current representative is Mr. Subhash Dang
- Active in exchanging views and personnel
- Supportive of international aspects of EVM
  - Procuring materiel from several foreign sources

# *Conclusions*

- Australia has made a lot of progress in a relatively short time
- Learn from Australia's experiences:
  - Payment by EV
  - EVMS on firm-fixed price contracts
  - International EVMS applications
- Continue productive exchange of people and ideas



# *Where to Find Info on Australian EVM*

Australian EVM web site:

*<http://www.iic.spirit.net.au/ams>*

Australian PMA web site:

*<http://www.austpma.org.au>*